

National budget 2007-08 takes effect

Govt braves the challenge to implement it

THE budget as proposed by finance and planning adviser Mirza Azizul Islam on June 7 received presidential assent on June 28 with minor modifications incorporated in it in what looks like partial response to points raised by various stakeholders through the internet and media. By virtue of an ordinance, the Tk 87,137 crore budget has taken effect from July 1. It is worth noting that the budget outlays, both revenue and development, revenue receipts and expenditure targets as envisaged in the original proposals remain unchanged.

Most of the changes relate to customs duties whilst there are some in VAT and income tax areas. The provisions for duty-free import of newsprint for newspaper industry, reduction of duty on computer and textile machinery together with retention of zero tariff on essentials like rice, wheat, edible oil, onion, lentils etc and fertilizer as a production input are welcome adjustments in the duty structure.

The finance adviser is for a three-pronged strategy to bring down prices: zero duty on imported essentials as enumerated above, replenishment of supplies by government procurement, mainly through import and raising the level of agriculture productivity and setting up of alternative markets. Simultaneously, one would like to see incentives given to new importers aimed at loosening the grip of a handful of importers on the market. Also it must be ensured in the interest of productivity that subsidies reach the poor farmers.

The protection of local industries is vital for employment generation. The adviser thinks that even though as a result of the budgetary steps, the profitability of the local entrepreneurs will be somewhat reduced that by itself shouldn't be construed as a disincentive for the local industries. Let's not forget that the government looks upon the private sector as a big source of employment generation.

A net 17 percent increase in revenue collection has been targeted in the present budget. According to the NBR chief taxation procedures have been simplified and made more transparent. The discretionary powers of tax officials have been reduced. All these steps are likely to increase revenue collection, so he believes.

Significantly, two ongoing steps hold out a prospect for generating sizeable revenues. First, the government's offer to tax evaders to come forward and pay their dues at 5 percent rate of interest to legitimise their money by 31st July or else suffer penal rate should now be taken by the concerned persons seriously. Admittedly so far, the response has been lukewarm. Secondly, there is a good potential for revenue generation in the NBR's recent drive which has already netted 1800 tax-payers in Dhaka city. When the drive is expanded to cover the other cities and towns the tax net would be widely cast. The stashed away money being now recovered could also be a shot in the arm of our cash-strapped budget. We suggest a new head be opened for it with the figure made known to the public.

Garment workers' wages

Fully implement the tripartite agreement

WITH the expiry of the deadline set by the government for implementing the tripartite agreement on the minimum monthly wage of Tk 1,662 for garment workers, it has been found by the BGMEA that 419 garment factories, out of 2420 across the country, have not introduced the new wages. Thus, a huge number of garment workers are yet to be benefited by the tripartite agreement signed following labour unrest in garment factories in May-June last year, which lead to deaths of workers and destruction of valuable assets of garment factories.

The owners' failure is doubly unacceptable because even the new wage structure, that was agreed upon by the parties concerned, cannot be considered adequate, given the price hike of essentials. The owners agreed to introduce it, and it is not clear why more than 400 garment units have failed to implement the same. The BGMEA leaders have apparently taken the lenient view that the owners of the defaulting units have no dearth of sincerity; rather they are not financially strong enough to implement the agreement. We believe the workers' cause will be badly compromised if the BGMEA fails to take a firm stand on the wage issue. One can hardly overlook the fact that the monthly wage was down-scaled from the workers' initial demand of Tk 3,000 per month, after the owners managed to prevail over the labour representatives. Now, there will be resentment among the workers if the same owners fail to go by their commitment.

Nobody wants the crucially important garment sector to be affected by any kind of disruption at a time when maximum productivity of the sector is needed to keep the national economy on the right track. The BGMEA leaders have promised negotiations with the defaulting units and adoption of follow-up measures in case of continuous non-compliance with the tripartite agreement. The BGMEA may have its own procedure of handling a situation, but it has to show due sensitivity to the workers' grievances and act quickly, particularly when more than 2,000 units have already implemented the agreement.

The government, as a party to the tripartite deal, has a role to play here. Obviously, it must prevent any slide to chaos in the sector and the best way to keep things under control is to give the workers their due -- the minimum wage.

The dilemma in combating climate change



M ABDUL HAFIZ

PERSPECTIVES

Most of us are, of course, ill equipped to judge the science behind climate change on its merits. There may be no harm in hoping against hope that the sceptics are right and that the climate change is a part of natural cycle that will run its course without causing too much disruption. Yet that complacency is considered unjustified, given that the consequence of inaction could be catastrophic.

THELL recently the folk who went around with placards that displayed "The end is nigh" were dismissed as people off their nuts. Their prediction of imminent doom was taken sceptically. Respectable scientists all over the world are now echoing their warnings.

Indeed, there is growing consensus among them that the Earth is heating up at a faster rate than was hitherto thought, and that the underlying cause was a rapid increase in carbon-dioxide emissions, which is a direct result of profligate human activity. Unless the trend is immediately reversed, all sorts of dire consequences lie ahead for our planet and its inhabitants.

Worse, these consequences are expected to manifest themselves not in an indefinite future but within the next few decades. The worst-case scenario envisages a large-scale annihilation of life forms by the end of the century. If the self-destructive species known as Homo sapiens survives, its manner of existence will bear no resemblance to the way it lives today.

Even the relatively less drastic predictions involve a rise in the sea level that will swallow up thousand of islands and a large swathe of coastal areas, and rearrange the coastal contours of all continents.

It will bring in its wake increased floods, droughts, and other forms of extreme climatic events, involving repercussions such as crop failure and consequent mass migration. Even a fraction of these grim forecasts would entail urgent action on a global scale. Yet, ten years after the Kyoto protocol, the extremely modest targets it set for the control of emissions remain unmet.

The world's single largest polluter, the United States, which opted out of the protocol, has only lately been suggesting that it wishes to be a part only of post-Kyoto arrangements. In all likelihood, such an arrangement might not be in place until 2012, when the Kyoto protocol expires.

During the past year, however, there has been considerable movement towards accepting the basic premise of climate change. Many a sceptic now sees a light of realisation at the end of the tunnel.

This purportedly includes even George Bush, a persistent naysayer on climate issue. It's a significant departure from a situation that existed until earlier this year.

Till then, the US officials were being accused of intimidating and censoring climate scientists in government agencies. The American Enterprise, a conservative think-tank funded by Exxon Mobil, reportedly offered \$10,000 for each article that was critical of the crucial report by the United Nation's Inter-Governmental Panel on Climate Change (IPCC).

Also, George Bush has floated the balloon of climate change negotiation -- a parallel to the UN process. Luckily, several governments as well as environmental groups rejected the Bush initiative and termed it as a delaying tactic.

Tony Blair, the former British prime minister, however, hailed the UN process as an "important step forward" on the issue of global warming.

In an interview with The Guardian on the eve of G-8 summit at Heiligendamm, Blair confidently asserted his ability to convince Bush on the subject. He

apparently tried, and put on a brave face, describing the inclusion of climate change in the G-8 declaration variously as a "huge step forward" and as a "major, major step forward." But, given the document's tenor, it's hard to concur with that optimistic conclusion. It speaks only of a non-specific commitment to "taking strong and early action."

Few believe that the US will go out of its way to reduce emissions as long as Bush is in the White House. It's also not likely that his successor will be very enthusiastic about combating global warming, because it will involve sacrificing a good number of short-term benefits at notional level.

Bush made it clear at the G-8 summit that his country wouldn't be party to any agreement unless China and India signed it as well. The US insistence emanates from its fear that if it agrees to abide by emission controls and China, in particular, doesn't, it will enhance the latter's competitive edge.

On the face of it, the concern is genuine -- not least because China is expected in due course to overtake the US as the largest polluter on earth. However, it

wouldn't be surprising to find China opposed to equivalent restriction on the ground that the US, Japan and Western Europe weren't encumbered by any such regulation at a comparable stage of their development.

The theories of climate change

were for long dismissed as an anti-developmental leftwing conspiracy, and the curbs imposed by Kyoto would interfere with productivity and profitability of the industries in the West which, along with Australia, refused to ratify the Kyoto protocol.

The production of energy by

burning fossil fuels is the main

culprit which causes the green-

house effect, and the recent

converts to the cause of combat-

ing global warming now tend to

focus on cleaner technology,

meaning nuclear energy. But in

that case the problems of nuclear

waste disposal, and the risk of

accidental meltdowns, seem to

have been underplayed.

Alternatives such as solar

power and wind farms haven't

been sufficiently explored

because they require huge

investments and offer, at best, delayed

returns. Had a serious exploration

of these technologies been

launched, say, half a century

back, it could be possible to arrest

the global warming and avoid all

the oil wars fought so far.

Now, at this stage, the dangerous

prospect is that the neo-

liberal elite, which has co-opted

the argument about global warm-

ing, will also appropriate the

prerogative of managing the

figure made known to the public.

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is considered unjustified, given that the consequence of inaction could be catastrophic.

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Impressive achievements, but some flaws



PRAFUL BIDWAI
writes from New Delhi

A disturbing aspect of West Bengal's reality is starvation deaths among the workers of tea gardens. In Jalpaiguri, the health department recorded 571 starvation deaths in 15 months. Informal estimates put the total since 2002 at 3,000 deaths. This is a shameful blot on the Front's record. Yet another dark spot is the Front's failure of inclusion in respect of religious minorities. Muslims form 25.2 per cent of the state's population. But their proportion in government employment is an abysmal 2.1 per cent, even lower than Gujarat's 5.4. This represents the downside of the LF's record of protecting the minorities against violence.

against a robust opposition.

The LF's achievements are many and impressive. The greatest include land reform -- the most successful outside Kerala -- an unblemished record of communal harmony, relatively clean, stable, governance, advanced panchayati raj institutions, and above all, politicisation and empowerment of the masses.

Operation Barga, which gave 2.3 million cultivators tenancy rights, accounts for more than one-half of the total acreage transferred under land reforms in India.

Only slightly less impressive are the high increases in crop yields, and urban renewal, that occurred under the LF. The Front has transformed dilapidated Kolkata into a flourishing metropolis.

West Bengal's performance in some social sectors is creditable: A 210 percent increase in literacy, and a halving of the infant-mortality ratio. Its urban poverty ratio is 14.8 per cent, well below the national average (25.7 percent).

Last year's assembly elections, probably the most tightly monitored in India, conclusively disproved the charge that rigging was responsible for the Front's success. It won 235 of 294 seats

However, the Front's record in

some other respects is middling or poor. Public spending and access to health have stagnated. Some indicators -- immunisation, nutrition among women, and the number of doctors and hospital beds per lakh people -- are below the national average. West Bengal hasn't opened a single new primary-health centre in a decade.

The rural poverty ratio annually declined by 2.24 percentage points between 1983 and 1993. But the decline has now slowed down to 1.15 points. Today, the rural poverty ratio (28.6 per cent) is slightly above the national average.

West Bengal has also generated the least amount of work under the National Rural Employment Guarantee -- a mere 14 person-days per family, in place of the national average (43) and the promised 100 days annually.

Worse, the percentage of rural households not getting "enough food" is highest in West Bengal (12 percent), almost double that in Orissa/Assam.

An alarming indicator is the

number of school dropouts. At 9.61 lakhs, this figure is even higher than it is in Bihar (6.96 lakhs). Of India's 24 districts with more than 50,000 out-of-school children, 9 are in West Bengal. No less embarrassing is the rate of suicides (15,015), the highest among all states in 2005.

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Clearly, West Bengal hasn't yet

become a model state. The LF

firmly. The more forests we lose, the more we shall face environmental catastrophe.

A forest is an important natural resource that contributes much to maintaining ecological balance. Unfortunately, the people who were made custodians of such valuable national resources were involved in massive plundering of forests. Osman Gani has disclosed the names of 34 top-level officials who were involved in all sorts of looting of forest resources and accumulated cores of Taka.

It beggars the imagination to think of the amount of money some top level officials of the forest department had earned during the tenure of the immediate past government.

In fact, they turned the forests into their private fiefdom, for plundering all its wealth. Their plundering knew no limits. All the corrupt forest bosses and other beneficiaries, who are mostly former ministers and high-ups, must be brought to book, and their ill-gotten wealth should be confiscated.

ANM Nurul Haque is a columnist of The Daily Star.

Wiping out the forests



ANM NURUL HAQUE

BY THE NUMBERS

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CCF reportedly admitted to owning of 15 katas of land in the city, and five more plots in Uttara under an alias, besides keeping a huge amount of money in banks and gold in lockers.

The CCF reportedly confessed to receiving monthly payments of Tk five lakh each from the divisional forest officers (DFOs), as his percentage of their illegal monthly income. He also confessed to paying a sum of Tk 80 lakh to Khaleda Zia, the former prime minister, and Tarique Islam, the former environment and forest minister, for his promotion to CCF.

Osman Gani also confessed to his involvement in the felling of trees and providing tenders to parties, and

leasing forest land illegally, in exchange of bribes. He admitted to giving deer and other wild animals to some ministers of the immediate past government in order to gain their favour.

The joint forces arrested the DFOs of Chittagong and Sylhet on June 25, as crackdown on corrupt forest department high-ups continues. The forces also searched the offices of another DFO and of the chief of Wildlife Management and Nature Conservation Department of Chittagong.